



Utah Labor Market Report

December 2002, Volume 12, Number 11

Current Indicators

Utah's unemployment rate of 5.1 percent for October is a slight movement downward from the 5.3 percent reported in the previous month. Approximately 58,100 Utahns are looking for work. This continues a year-long trend of the rate hovering in the low to mid 5.0 percent range. The Utah economy began sliding in 2001, and slipped into a job-loss situation as of last October. Throughout this year, the employment count has stayed negative. This is an extremely long and unusual period of negative employment numbers for Utah.

The last time Utah recorded a year-over employment decline was 1964, and one of this magnitude since 1954. This illustrates the rarity of the current Utah economic situation. Fortunately, when this slide began, Utah enjoyed some of its lowest unemployment rates on record, having been below the 4.0-percent range since 1993. This is opportune in that the current 5.1-percent rate isn't very high when you compare it to the historical performance of unemployment rates. The low unemployment base from which this slide began was the best foundation possible. In other words, we didn't fall from a bad situation to a worse, but from a good situation to a bad.

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, continues to show losses, though the rate of decline has begun to slow. The number of Utah jobs in October is down 12,200, or -1.1 percent as compared to that reported in October 2001. Revisions

did not produce a change for September. The employment decline for that month remained at -1.5 percent.

Nationally, the unemployment rate for October 2002 was 5.7 percent, a slight increase from September's 5.6 percent. The number of person's unemployed equaled 8.2 million. U.S. nonfarm employment, like Utah's, is also negative, but like Utah's, getting better. Year-over employment is down 0.4 percent, an improvement from the -0.7 recorded in September.

Industry-by-Industry

The industry losing the most jobs in Utah is construction. We built a lot of things in the past eight years, and these booms always run out of steam. We anticipated this slowdown coming, so we aren't alarmed by a decline of 6,700 jobs in this industry, but that doesn't make it welcome. There are still 67,300 construction jobs in Utah, but we do anticipate more declines as 2002 progresses into 2003.

Manufacturing is another industry that has been battered by the national recession. In Utah, manufacturing has been in a slide for four years and has lost over 10 percent of its employment numbers. Since October of last year, employment is down 3.9 percent, or 4,800 jobs. The industry still employs over 119,000 in Utah, and the volume of

decline appears to have stabilized in recent months.

Trade is Utah's second largest industry based upon employment, behind services, but it is shedding workers similar to what manufacturing is doing. A comparison against last October shows 4,200 fewer jobs in this industry. Consumer spending has been one of the bright spots within this recession, but the declining employment numbers still illustrate that consumers are cautious and selective. This industry employs over 249,000 workers in Utah.

Another industry in Utah, transportation/communications/utilities (T.C.U.), has also fared poorly this recession. Employment has fallen by 2,500 positions over the past year. All three sub-components that comprise this conglomeration are losing workers. Communications has been hit particularly hard, dropping over 11 percent of its former workforce in just the past year. On the transportation side, although the airline industry is holding steady in Utah, trucking firms have released hundreds of workers. Utility employment is showing a slight decline.

Consolidations in the banking industry are a contributing factor to a 700-position drop in the finance/insurance/real estate (F.I.R.E.) industry. This is one of the smaller employment industries in Utah, and has most of its employment concentrated along the state's metropolitan corridor.

Government and services are the lone industry adding new workers. Federal and local government payrolls increased. Some of the federal gain is the new airport security workers, but their jobs were counted in the private sector before, so it's really a neutral change to the economy as a whole. Local governments primarily grow due to constant stresses of rising school enrollments.

Services is the largest component of the economy, and throughout this recession it has managed to remain in a growth mode, although a very modest growth mode. A year-over gain of 2,100 positions represents a scant 0.7 percent increase. Health care, personal services, and engineering activities are the strong areas, while computer and business services have been in a very weak condition for the past year.

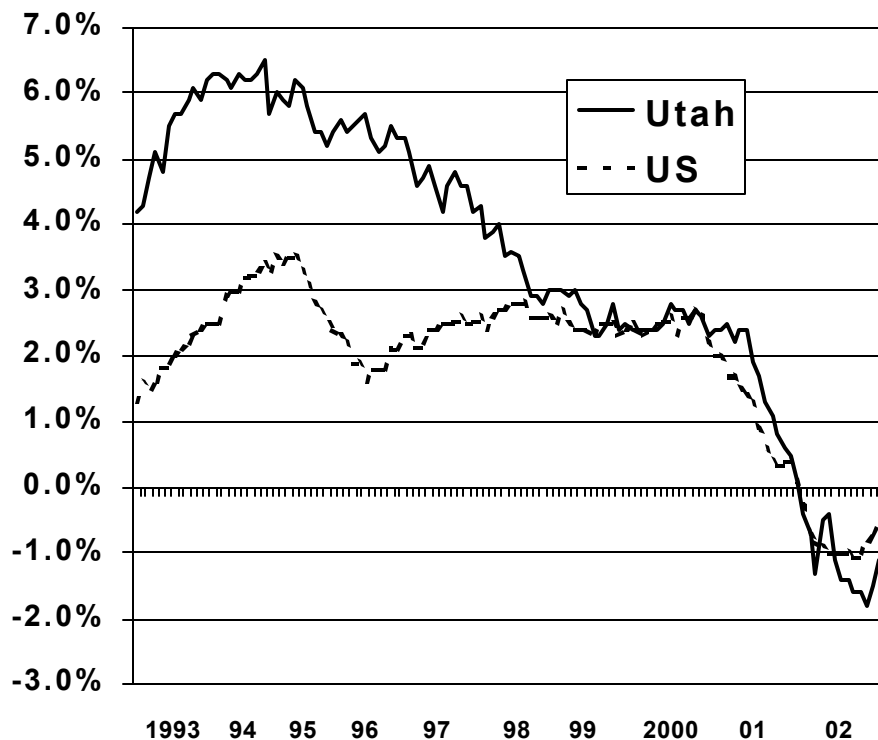
Sub-state Analysis

The Salt Lake-Ogden metropolitan corridor represents over 60 percent of Utah's employment base. Throughout all of Utah's employment expansion of the 1990's, the metropolitan areas were the growth engines, out-performing the state's non-metropolitan counties. But that role has currently been reversed. The economies outside the Wasatch Front are faring better than the metropolitan regions. They are losing employment also, but their decline is "only" 0.6 percent, whereas Salt Lake-Ogden employment is down 1.1 percent, and Provo-Orem contracted by 1.5 percent.

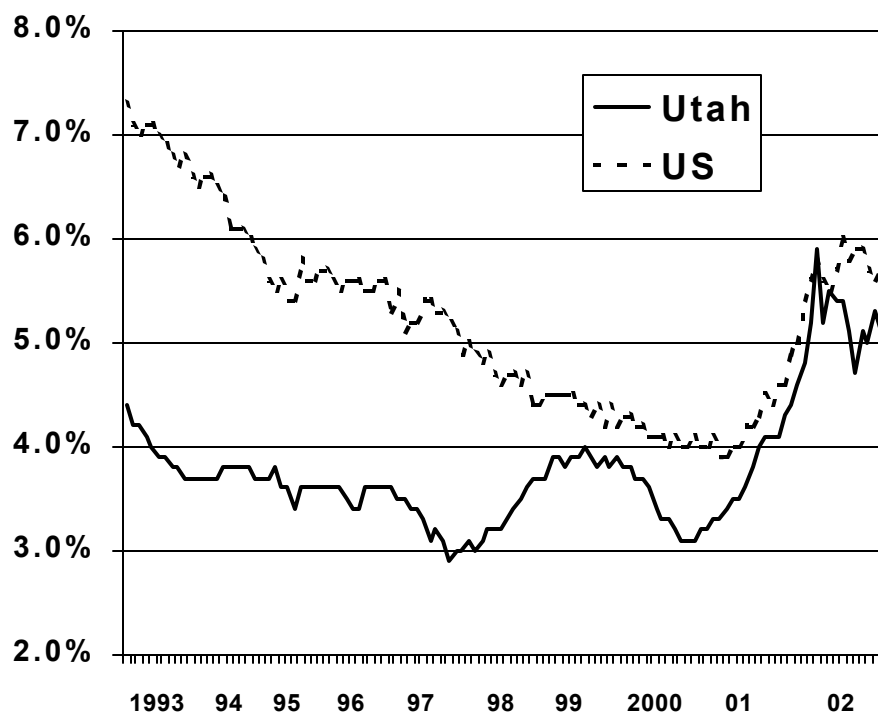
But as goes the Salt Lake-Ogden area, so goes the state. The Salt Lake-Ogden picture looks just like the state, with employment losses in all of the same industries, and only gains in government and services. The Provo-Orem area shows some differentiation, in that services and government are also contracting in that region.

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Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates



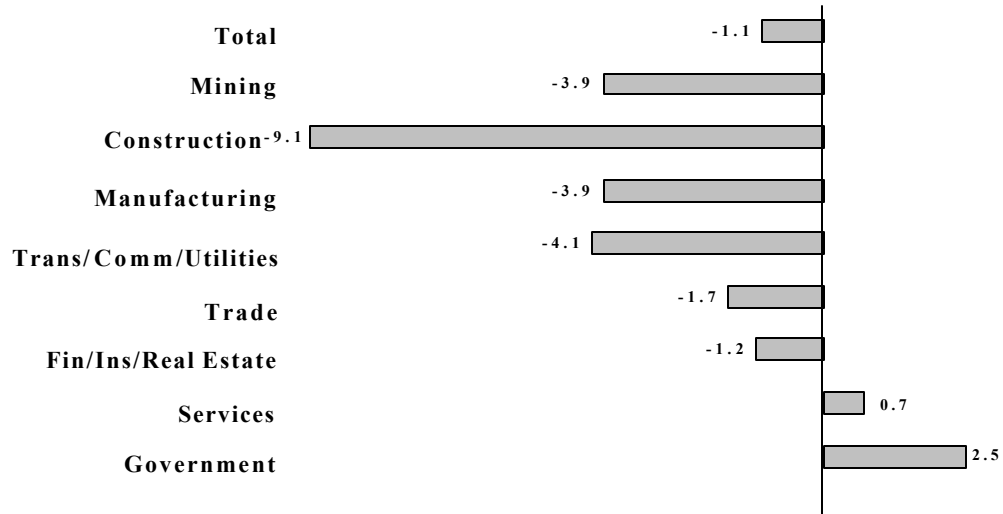
Utah Nonagricultural Jobs by Industry and Components of the Labor Force

Numbers are in thousands and are not seasonally adjusted.	October(p) 2002	October 2001	Percentage Change	Sept.(p) 2002	Sept. 2001	Percentage Change
CIVILIAN LABOR FORCE	1,142.7	1,126.7	1.4	1,146.8	1,128.5	1.6
Employed	1,088.4	1,075.2	1.2	1,091.5	1,077.1	1.3
Unemployed	54.3	51.5	5.4	55.3	51.4	7.6
Unemployment Rate	4.8	4.6		4.8	4.6	
NONAGRICULTURAL EMPLOYMENT	1,071.5	1,083.7	-1.1	1,072.4	1,088.4	-1.5
Mining	7.3	7.6	-3.9	7.2	7.8	-7.7
Metal Mining	1.8	1.8	0.0	1.8	2.0	-10.0
Bituminous Coal Mining	1.4	1.5	-6.7	1.4	1.3	7.7
Other Mining	4.1	4.3	-4.7	4.0	4.5	-11.1
Construction	67.3	74.0	-9.1	68.8	74.9	-8.1
Manufacturing	119.8	124.6	-3.9	120.6	125.7	-4.1
Durable Goods	79.2	82.1	-3.5	80.0	83.2	-3.8
Primary Metals	4.1	5.5	-25.5	4.2	5.6	-25.0
Fabricated Metals, Machinery, & Computers	18.2	20.1	-9.5	18.5	20.6	-10.2
Electrical/Electric Equipment (ex. Computers)	7.7	8.3	-7.2	7.7	8.3	-7.2
Transportation Equipment	12.7	13.4	-5.2	12.7	13.8	-8.0
Other Durable Goods	36.5	34.8	4.9	36.9	34.9	5.7
Non-durable Goods	40.6	42.5	-4.5	40.6	42.5	-4.5
Food & Kindred Products	12.8	13.0	-1.5	12.7	13.0	-2.3
Other Non-durable Goods	27.8	29.5	-5.8	27.9	29.5	-5.4
Transportation, Communication, & Utilities	58.0	60.5	-4.1	57.9	60.9	-4.9
Railroad Transportation	1.8	1.8	0.0	1.8	1.9	-5.3
Trucking & Warehouse	19.5	20.5	-4.9	19.5	20.8	-6.3
Transportation by Air	15.1	15.2	-0.7	15.0	15.0	0.0
Other Transportation & Related Services	4.9	5.1	-3.9	5.0	5.4	-7.4
Communications	10.0	11.0	-9.1	9.9	10.9	-9.2
Electricity, Gas, & Sanitary Services	6.7	6.9	-2.9	6.7	6.9	-2.9
Trade	245.7	249.9	-1.7	246.5	251.2	-1.9
Wholesale Trade	49.9	50.5	-1.2	50.1	50.7	-1.2
Retail Trade	195.8	199.4	-1.8	196.4	200.5	-2.0
Food Stores	29.5	30.5	-3.3	29.6	30.4	-2.6
Auto Dealers/Parts Stores, & Gas Stations	24.3	23.2	4.7	24.6	23.5	4.7
Eating & Drinking Places	65.1	65.9	-1.2	65.9	67.0	-1.6
Home Furniture/Equipment & Clothing Stores	19.2	19.6	-2.0	19.5	19.6	-0.5
Gen. Merchandise, Building & Garden Supply	32.1	34.1	-5.9	31.6	34.3	-7.9
Miscellaneous Retail	25.6	26.1	-1.9	25.2	25.7	-1.9
Finance, Insurance, & Real Estate	59.6	60.3	-1.2	59.6	60.3	-1.2
Depository Institutions	16.8	17.5	-4.0	16.9	17.5	-3.4
Other Finance, Insurance, & Real Estate	42.8	42.8	0.0	42.7	42.8	-0.2
Services	315.5	313.4	0.7	317.7	316.4	0.4
Hotels & Other Lodging Places	17.4	17.7	-1.7	18.0	18.7	-3.7
Personal, Entertainment & Recreational	33.1	31.9	3.8	34.3	32.8	4.6
Computer-Related Business Services	24.7	25.8	-4.3	24.8	26.4	-6.1
Other Business Services	57.1	58.1	-1.7	58.0	59.0	-1.7
Auto Repair/Rental/Parking	11.0	11.3	-2.7	11.1	11.6	-4.3
Health Services	71.1	68.2	4.3	70.6	68.5	3.1
Education, Social, & Membership Organizations	58.4	58.0	0.7	58.0	56.7	2.3
Legal & Miscellaneous Services	6.2	6.3	-1.6	6.2	6.3	-1.6
Engineering, Accounting & Management	25.8	25.0	3.2	25.6	24.8	3.2
Other Repair, Ag. Services, & Museums	10.7	11.1	-3.6	11.1	11.6	-4.3
Government	198.3	193.4	2.5	194.1	191.2	1.5
Federal Government	35.8	33.6	6.5	35.0	34.5	1.4
U.S. Defense	14.5	14.1	2.8	14.5	14.1	2.8
Other Federal	21.3	19.5	9.2	20.5	20.4	0.5
State Government	60.2	60.4	-0.3	59.5	59.9	-0.7
State Schools	34.2	32.6	4.9	33.4	32.1	4.0
Other State	26.0	27.8	-6.5	26.1	27.8	-6.1
Local Government	102.3	99.4	2.9	99.6	96.8	2.9
Local Education	62.0	60.9	1.8	58.1	57.1	1.8
Other Local	40.3	38.5	4.7	41.5	39.7	4.5
Private Sector	873.2	890.3	-1.9	878.3	897.2	-2.1

Source: Utah Department of Workforce Services, Workforce Information; 12/06/02.

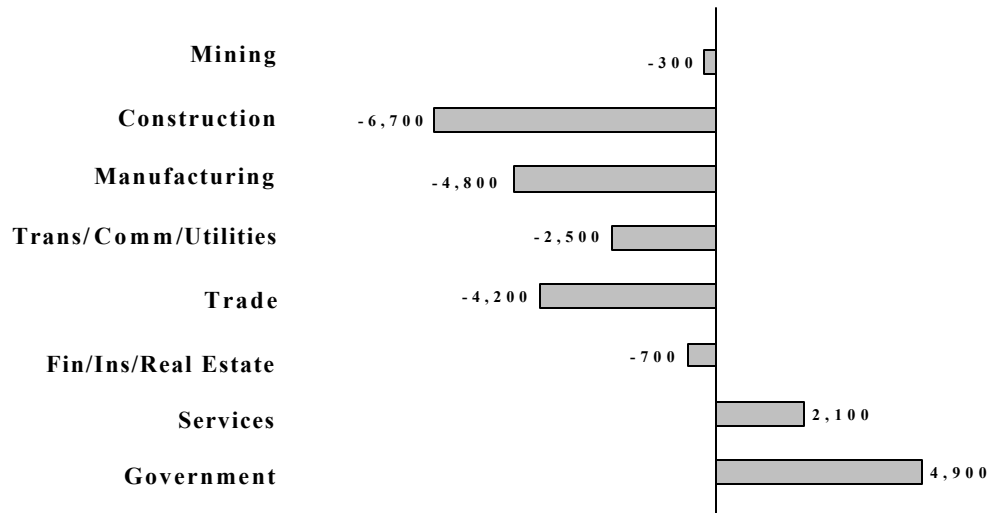
p = preliminary r = revised

Utah Nonfarm Job Growth (Percent Change) October 2001 – 2002



Source: Utah Department of Workforce Services

Utah Nonfarm Employment Changes October 2001 – 2002



Source: Utah Department of Workforce Services

HOURS AND EARNINGS - UTAH

Hours and Earnings for Production and Nonsupervisory Personnel

	Average Hourly Earnings				Average Weekly Hours				Average Weekly Earnings			
	October		% Chg.	Sept. 2002(r)	October		% Chg.	Sept. 2002(r)	October		% Chg.	Sept. 2002(r)
	2002(p)	2001			2002(p)	2001			2002(p)	2001		
Mining	\$16.86	\$19.22	-12.3	\$17.82	51.6	42.9	20.3	50.9	\$869.98	\$824.54	5.5	\$907.04
Metal Mining	19.73	19.57	0.8	19.61	48.6	44.3	9.7	48.5	958.88	866.95	10.6	951.09
Manufacturing	14.35	13.94	2.9	14.48	38.0	38.3	-0.8	38.7	545.30	533.90	2.1	560.38
Durable Goods	14.95	14.49	3.2	15.20	38.0	38.3	-0.8	38.8	568.10	554.97	2.4	589.76
Primary Metals	23.78	22.41	6.1	23.79	41.5	43.1	-3.7	40.7	986.87	965.87	2.2	968.25
Fabricated Metal Prod. & Mach.	14.41	15.12	-4.7	15.41	36.4	35.9	1.4	36.8	524.52	542.81	-3.4	567.09
Transportation Equipment	20.39	17.32	17.7	19.65	38.2	40.0	43.1	38.3	778.90	692.80	12.4	752.60
Nondurable Goods	13.03	12.71	2.5	12.89	37.9	38.2	-0.8	38.6	493.84	485.52	1.7	497.55
Food and Kindred Products	12.94	11.96	8.2	12.60	39.5	40.1	-1.5	40.0	511.13	479.60	6.6	504.00
Trade	11.76	10.97	7.2	11.82	30.1	29.7	1.3	30.0	353.98	325.81	8.6	354.60
Wholesale	15.04	13.78	9.1	15.18	41.6	39.2	6.1	42.0	625.66	540.18	15.8	637.56
Retail	10.60	10.07	5.3	10.66	27.4	27.6	-0.7	27.3	290.44	277.93	4.5	291.02
General Merchandise	9.71	9.68	0.3	10.45	30.4	29.6	2.7	30.0	295.18	286.53	3.0	313.50
Food Stores	11.02	11.10	-0.7	11.08	30.2	29.6	2.0	30.8	332.80	328.56	1.3	341.26

HOURS AND EARNINGS - Salt Lake City - Ogden MSA

	Average Hourly Earnings				Average Weekly Hours				Average Weekly Earnings			
	October		% Chg.	Sept. 2002(r)	October		% Chg.	Sept. 2002(r)	October		% Chg.	Sept. 2002(r)
	2002(p)	2001			2002(p)	2001			2002(p)	2001		
Mining	\$20.08	\$19.56	2.7	\$19.97	46.5	42.4	9.7	46.7	\$933.72	\$829.34	12.6	\$932.60
Manufacturing	14.52	13.96	4.0	14.75	35.7	35.8	-0.3	37.0	518.36	499.77	3.7	545.75
Durable Goods	14.52	13.82	5.1	14.98	34.7	35.0	-0.9	36.3	503.84	483.70	4.2	543.77
Nondurable Goods	14.51	14.29	1.5	14.25	38.1	37.6	1.3	38.5	552.83	537.30	2.9	548.63
Trade	12.19	11.39	7.0	12.32	30.7	30.3	1.3	30.7	374.23	345.12	8.4	378.22
Wholesale	15.20	14.21	7.0	15.43	40.7	38.4	6.0	41.2	618.64	545.66	13.4	635.72
Retail	10.91	10.31	5.8	11.03	27.8	28.0	-0.7	27.7	303.30	288.68	5.1	305.53

Source: Utah Department of Workforce Services, Workforce Information.

**NONAGRICULTURAL EMPLOYMENT BY INDUSTRY and COMPONENTS OF THE LABOR FORCE
OF UTAH'S METROPOLITAN AREAS**

Numbers are in thousands, <u>not seasonally adjusted.</u>	Salt Lake City - Ogden MSA			Provo - Orem MSA			Percent Change	Sept. 2002(p)	Aug. 2002(p)
	October 2002(p)	2001	Percent Change	Sept. 2002(p)	Aug. 2002(p)	October 2002(p)			
Civilian Labor Force	727.9	721.4	0.9	725.0	737.7	178.3	1.5	176.5	175.1
Employed	691.3	687.9	0.5	687.4	697.3	170.7	1.2	168.4	166.2
Unemployed	36.6	33.6	8.9	37.7	40.4	7.5	8.7	8.0	8.9
Unemployment Rate	5.0	4.7	--	5.2	5.5	4.2	--	4.6	5.1
Total Nonagricultural Employment	710.4	720.7	-1.4	707.5	706.7	152.8	-1.8	148.0	147.1
Mining	2.2	2.6	-15.4	2.2	2.3	0.1	0.0	0.1	0.1
Construction	44.7	47.9	-6.7	44.9	44.4	10.8	-3.6	11.0	11.1
Manufacturing	76.1	79.5	-4.3	76.2	76.0	17.5	-6.9	17.3	17.1
Durable Goods	51.4	54.2	-5.2	51.4	51.3	10.0	-9.1	9.9	9.7
Non-durable Goods	24.7	25.3	-2.4	24.8	24.7	7.5	-3.8	7.4	7.4
Trans., Comm., & Utilities	45.7	47.8	-4.4	45.7	45.7	2.5	-3.8	2.5	2.5
Trade	163.6	166.3	-1.6	164.3	163.6	33.2	-1.2	33.1	32.8
Wholesale Trade	39.4	39.9	-1.3	39.7	39.6	5.4	-1.8	5.4	5.4
Retail Trade	124.2	126.4	-1.7	124.6	124.0	27.8	-1.1	27.7	27.4
Finance, Insur., & Real Estate	49.0	49.4	-0.8	49.3	49.0	5.1	2.0	5.1	5.1
Services	206.9	205.7	0.6	208.4	207.4	62.1	-1.0	59.6	59.7
Government	122.2	121.5	0.6	116.5	118.3	21.5	-0.5	19.3	18.5
Federal Government	28.3	27.3	3.7	28.5	28.7	1.1	-8.3	1.1	1.2
State Government	41.0	41.2	-0.5	39.5	39.4	5.7	-1.7	5.2	5.1
Local Government	52.9	53.0	-0.2	48.5	50.2	14.7	0.7	13.0	12.2
Private Sector	588.2	599.2	-1.8	591.0	588.4	131.3	-2.0	128.7	128.6

Notes: The Salt Lake City-Ogden Metropolitan Statistical Area (MSA) is comprised of Salt Lake, Davis, and Weber counties.

The Provo-Orem MSA is Utah County.

Source: Utah Department of Workforce Services, Workforce Information, 11/30/02.

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	Oct. 2002(p)	Oct. 2001	Percent Change	Sept. 2002(r)	Aug. 2002(r)
State Total	1,072,400	1,083,907	-1.1	1,072,400	1,059,400
Bear River	59,403	61,537	-3.5	59,403	57,276
Box Elder	17,149	17,669	-2.9	17,149	17,039
Cache	41,587	43,322	-4.0	41,587	39,458
Rich	667	546	22.2	667	779
Wasatch Front	723,796	731,293	-1.0	723,796	720,674
North	177,938	176,697	0.7	177,938	178,361
Davis	90,436	88,734	1.9	90,436	91,091
Morgan	1,633	1,683	-3.0	1,633	1,600
Weber	85,869	86,280	-0.5	85,869	85,670
South	545,859	554,596	-1.6	545,859	542,313
Salt Lake	534,095	542,764	-1.6	534,095	530,738
Tooele	11,763	11,832	-0.6	11,763	11,575
Mountainland	172,457	175,193	-1.6	172,457	167,545
Summit	14,695	14,497	1.4	14,695	14,822
Utah	152,800	155,753	-1.9	152,800	147,900
Wasatch	4,962	4,943	0.4	4,962	4,822
Central	21,697	21,985	-1.3	21,697	20,925
Juab	2,635	2,692	-2.1	2,635	2,651
Millard	3,611	3,492	3.4	3,611	3,408
Piute	237	262	-9.4	237	240
Sanpete	6,670	7,046	-5.3	6,670	6,183
Sevier	7,366	7,344	0.3	7,366	7,278
Wayne	1,178	1,149	2.5	1,178	1,164
Southwestern	58,744	57,413	2.3	58,744	57,524
Beaver	1,866	1,847	1.0	1,866	1,878
Garfield	2,239	2,205	1.5	2,239	2,292
Iron	14,399	14,216	1.3	14,399	13,744
Kane	2,703	3,005	-10.1	2,703	2,692
Washington	37,537	36,140	3.9	37,537	36,918
Uintah Basin	15,374	15,713	-2.2	15,374	14,864
Daggett	530	433	22.3	530	548
Duchesne	5,206	5,264	-1.1	5,206	5,199
Uintah	9,638	10,016	-3.8	9,638	9,117
Southeastern	20,929	20,773	0.8	20,929	20,593
Carbon	9,186	9,063	1.4	9,186	8,794
Emery	3,264	3,502	-6.8	3,264	3,376
Grand	4,515	4,362	3.5	4,515	4,573
San Juan	3,964	3,846	3.1	3,964	3,850
Salt Lake-Ogden MSA	710,400	717,778	-1.0	710,400	707,500

p = preliminary r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 11/30/02.

Seasonally Adjusted Unemployment Rates

	October 2002 (p)	September 2002 (r)	August 2002(r)	October 2001(r)
State Total	5.1	5.3	5.0	4.8
Bear River	4.1	4.5	4.2	4.1
Box Elder	5.5	6.0	5.4	6.1
Cache	3.6	4.0	3.8	3.4
Rich	4.8	4.8	3.6	3.0
Wasatch Front	5.1	5.3	5.1	4.7
North	4.6	4.7	4.2	4.5
Davis	4.2	4.3	3.9	4.0
Morgan	3.7	4.3	3.6	4.0
Weber	5.1	5.2	4.6	5.2
South	5.3	5.5	5.6	4.8
Salt Lake	5.2	5.5	5.5	4.7
Tooele	8.1	8.6	8.4	8.3
Mountainland	4.6	5.0	5.1	4.3
Summit	7.0	7.5	7.5	6.9
Utah	4.4	4.7	4.8	4.1
Wasatch	6.4	7.1	6.3	5.4
Central	5.1	5.4	5.3	5.4
Juab	5.8	6.1	6.7	5.0
Millard	4.0	4.4	4.4	6.8
Piute	6.6	7.7	6.6	7.1
Sanpete	6.1	6.1	5.9	5.8
Sevier	4.1	4.7	4.3	4.4
Wayne	6.0	5.8	5.5	5.0
Southwestern	4.1	4.3	4.1	4.3
Beaver	3.4	3.8	3.5	4.3
Garfield	9.8	10.2	10.7	9.6
Iron	4.2	4.2	4.2	4.8
Kane	3.9	4.3	4.0	3.4
Washington	3.8	4.0	3.8	3.9
Uintah Basin	6.2	6.3	6.3	5.4
Daggett	3.7	4.0	3.3	4.8
Duchesne	7.2	7.1	7.1	6.7
Uintah	5.8	6.0	6.0	4.8
Southeastern	6.6	7.1	6.3	6.9
Carbon	5.7	5.9	5.0	4.8
Emery	7.5	9.9	8.2	9.5
Grand	6.4	6.7	6.2	7.0
San Juan	7.8	8.2	7.4	9.0
Salt Lake-Ogden MSA	5.0	5.2	5.1	
United States	5.7	5.6	5.7	5.4

p=preliminary r=revised

Source: Utah Department of Workforce Services, Workforce Information.